CLARINET RESOURCES LTD.

1995
annual report

CORPORATE PROFILE

CLARINET RESOURCES LTD. IS A PUBLICLY TRADED JUNIOR OIL AND GAS COMPANY HEADQUARTERED IN CALGARY, ALBERTA. THE CORPORATION'S BUSINESS IS THE EXPLORATION, DEVELOPMENT AND EXPLOITATION OF OIL AND GAS PROPERTIES PRIMARILY IN THE PROVINCES OF ALBERTA AND SASKATCHEWAN.

THE COMPANY'S COMMON SHARES ARE LISTED FOR TRADING ON THE ALBERTA STOCK EXCHANGE UNDER THE TRADING SYMBOL "KR".

ANNUAL MEETING

Shareholders are invited to attend the Corporation's 1996 annual meeting to be held on Tuesday June 25, 1996 at 2:30 P.M. at the offices of Burnet Duckworth & Palmer, suite 1400, 350 - 7th Ave. S.W. Calgary, Alberta.

NAME CHANGE AND SHARE CONSOLIDATION

AS A RESULT OF THE MANY CHANGES MADE DURING 1995, THE CORPORATION ENDED THE YEAR WITH A NEW MANAGEMENT TEAM AND GROWTH STRATEGY. SHAREHOLDERS ARE ASKED TO APPROVE A NEW NAME REFLECTING THIS REVITALIZATION. SHAREHOLDERS ARE ALSO ASKED TO APPROVE A CONSOLIDATION OF THE COMMON SHARES TO BRING THE CORPORATION'S CAPITAL STRUCTURE IN LINE WITH ITS PEER GROUP.

CONTENTS

1995 HIGHLIGHTS

Financial	1995	1994	% Change
Revenue from Operations	$ 1,004,897	$ 698,607	+ 44
Cash Flow	$ 593,398	$ 12,508	+
Per Share Basic	$ 0.019	$ 0.0	+
Bank Debt	$ 875,000	$ 587,100	+ 49
Shareholders' Equity	$ 2,870,595	$ 1,292,228	+122
Present Worth at 15%[(1)]	$ 7,544,000	$ 2,216,000	+240

Production	1995	1994	% Change
Average Daily Volumes			
Oil & NGL's (BBL/D)	160	97	+ 65
Natural Gas (MCF/D)	720	176	+309
BOE/Day	232	115	+102
Average Selling Prices			
Oil & NGL's ($/BBL)	22.85	21.00	+ 9
Natural Gas ($/MCF)	1.26	1.84	– 32

Reserves	1995	1994	% Change
Oil and NGL (BBLS)			
Total Proved	373,874	155,175	+141
Proved Plus Probable	494,334	155,175	+219
Natural Gas (BCF)			
Total Proved	5.198	2.709	+ 92
Proved Plus Probable	6.475	2.709	+139
Barrels of Oil Equivalent (BOE)			
Total Proved	893,674	426,075	+110
Proved Plus Probable	1,141,834	426,075	+168

1 Total proved plus probable risked reserves pre-tax.

SIGNIFICANT EVENTS OF 1995

There were four significant events during the year:

- The merger of Clarinet Resources Ltd. and Security Energy Corporation ("Security"),
- The purchase of producing and non-producing assets from a large Canadian energy company,
- The re-working of the Company's wholly-owned well at Dawson, Alberta, and
- The purchase of oil and gas assets from Silver Butte Resources Ltd.

1995 WAS A YEAR OF OUTSTANDING GROWTH AND IMPORTANT CHANGES FOR CLARINET

As a result of the above transactions:

- The value of the Clarinet's petroleum reserves at a 15% pre-tax discount rate increased to $7,544,000,
- The book value of the Corporation's property plant and equipment after depletion and depreciation charges increased to $4,007,981,
- 1995 average daily production increased to 232 BOE/D,
- Total oil and gas revenues increased to $1,639,585,
- 1995 operating expenses, decreased to $5.47 per BOE, and
- Capital expenditures, excluding the expenditures associated with the merger, increased to $1,693,000 of which $1,450,000 related to property acquisition costs.

CORPORATE DEVELOPMENT

Clarinet made the following appointments thereby assembling a management team with proven technical expertise:

- Giovanni DeFrancesco was appointed Vice-President of Operations. He held senior management positions with two independent Canadian energy companies prior to joining Clarinet,
- Dave Morgenstern was appointed Vice-President of Exploration. Dave has worked for nineteen years in the Western Sedimentary Basin and held various senior management positions,
- Sharon MacLeod was appointed Senior Geologist in October of 1995. Ms. MacLeod was a senior geologist with a large Canadian oil and gas producer prior to joining the Corporation, and
- Shelley Tremblay CMA was appointed the Corporation's Comptroller at the time of the Security merger. Ms. Tremblay has four years of oil and gas accounting experience.

SPECIAL MATTERS TO BE VOTED ON AT THE ANNUAL MEETING

The year 1995 was a period of revitalization for the Company and represents a new beginning. Therefore, shareholders are requested to approve the following special resolutions at the annual meeting:

- A change of the corporate name to Symmetry Resources Inc. and
- The consolidation of shares on the basis of one new for four old shares.

ACCOUNTING PROCEDURES

The merger of the Corporation with Security has been accounted for as a reverse takeover. The financial comparisons included in this annual report are those of Security (pre-merger) and the present Clarinet Resources Ltd..

Management elected to increase its 1995 charges for depletion and depreciation by the amount of its 1995 lease costs for lands that were unproductive at year end. This resulted in a 100% write-off for such costs.

CLARINET'S GOALS FOR 1996

- Complete at least one significant producing property acquisition,
- Establish another core production and exploitation area,
- Develop several exploration projects for 1997,
- Reduce level of activity in Ontario, and
- Reduce overall operating costs, on a BOE/D basis to below $5.00.

During the first quarter of 1996, Clarinet took the first step in achieving its objectives by participating in the drilling of a horizontal oil well in Queensdale, Saskatchewan. The well is free-flowing and its daily gross production has averaged in excess of 400 barrels per day, net 75 barrels per day to the Corporation since being placed on production.

TOTAL PRODUCTION BY QUARTER 1995
(BOE/D)

CLARINET IS ENTERING 1996 AT A RATE OF 310 BOE/D

ERIC SWITZER
President
May 17, 1996

CLARINET'S BASE OF UNDEVELOPED PROPERTIES AND SEISMIC DATA INVENTORY PROVIDE THE COMPANY WITH FUTURE EXPLORATION OPPORTUNITIES

PRINCIPAL PROPERTIES OF WESTERN CANADA

LAND HOLDINGS BY PROVINCE

At December 31, 1995 (acres)

Province	Producing		Non-Producing		Total	
	Gross	Net	Gross	Net	Gross	Net
Alberta	44,640	3,960	45,533	14,720	90,173	18,680
Saskatchewan	160	40	973	915	1,133	955
Ontario	150	65	33,488	27,055	33,638	27,120
Total	44,950	4,065	79,994	42,690	124,944	46,755

WESTERN CANADA

Clarinet's two principal producing properties are currently at Dawson in north-central Alberta where a 100%-owned well produces at an average of 125 BOPD and at Queensdale in southeast Saskatchewan where an 18.75% interest partner-operated horizontal well has averaged in excess of 400 BOPD (gross) since going on-stream at the end of January, 1996.

At December 31, 1995, Clarinet and its wholly-owned subsidiary, SEC Exploration Inc. held a total of 124,944 gross (46,755 net) acres of land in Canada. Of these totals, 79,943 gross (42,690 net) acres are undeveloped properties which provide the Corporation with future exploration opportunities. Complementing this inventory of properties is ownership of 217 miles of recent-vintage conventional seismic data, and 7 square miles of three-dimensional seismic coverage.

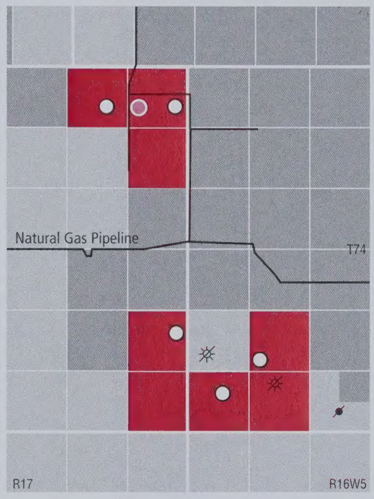
HIGH PRAIRIE, ALBERTA

With interests varying from 25% to 100% in 5,120 acres of land near the town of High Prairie in north-central Alberta, Clarinet is well-positioned to establish itself as the dominant operator in this immediate area. Targeting multi-zone shallow gas, at least one well (100%) is scheduled to be drilled here this summer. Timed to strategic Alberta crown sale postings, all locations have been selected utilizing an extensive seismic data base.

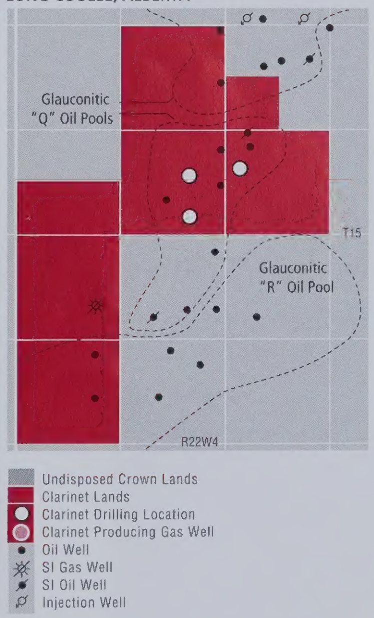
LONG COULEE, ALBERTA

Clarinet Resources Ltd. holds varying interests ranging from ORR's to 17.5% in 3,840 acres of land in the Long Coulee area of southern Alberta. Three drilling locations supported by extensive seismic coverage have been identified targeting Glauconitic Zone oil. With an average working interest in these locations of 10.8%, at least one is expected to be drilled in 1996 following spacing reduction and water injection application approvals.

HIGH PRAIRIE, ALBERTA



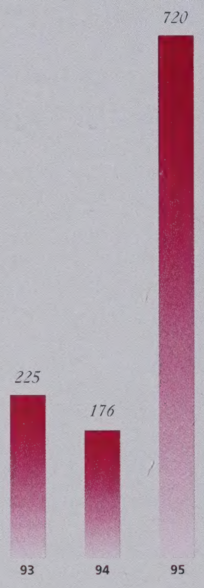
LONG COULEE, ALBERTA



Production Rates

OIL PRODUCTION

(BBL/D)



GAS PRODUCTION

(MCF/D)

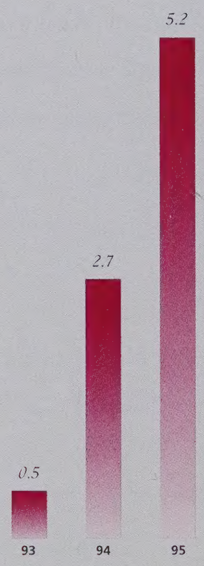
TOTAL PRODUCTION

(BOE/D)

Reserve Volumes [1]

OIL & NGL RESERVES

(MBBLS)



GAS RESERVES

(BCF)

TOTAL RESERVES

(MBOE)

1 Total proved

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

The following discussion has been prepared by Clarinet's management and should be read in conjunction with the audited consolidated financial statements and the accompanying notes.

On March 31, 1995, Clarinet and Security Energy Corporation merged; further, two separate production acquisitions were closed during the year. The financial results for 1995 incorporate these events.

REVENUES

Revenues from oil and gas sales increased to $1,639,585 from $1,065,093 in 1994, reflecting an increase of 54%. The increase is primarily due to higher production volumes resulting from the corporate merger, acquisition of oil and gas properties, and exploitation activities.

REVENUES FROM OIL AND GAS SALES INCREASED TO $1,639,585 FROM $1,065,093 IN 1994, AN INCREASE OF 54%

Average oil prices received during 1995 increased by 9% to $22.85 per BBL from $21.00 per BBL. Natural gas prices dropped dramatically to $1.26 per MCF from $1.84 per MCF, a decrease of 32%.

In 1995 sales of crude oil and natural gas liquids and natural gas accounted for 81% and 19%, respectively, of production revenues.

Other income (a combination of management fees and water disposal revenue) increased only slightly to $145,988 from $135,447 in 1994. In future years, management fee revenues will be minimal.

ROYALTIES

Royalties include Crown, freehold and overriding burdens on the Company's oil and gas production. Net royalties paid on production totalled $234,156 with an average royalty rate of 14.3% which is a slight increase from the 1994 rate of 12.9%.

The Corporation's ARTC is minor relative to the amount of Alberta crown royalties paid; most of the Alberta oil and gas properties acquired were purchased from "over-the-limit" companies.

OPERATING EXPENSES, ON A BOE/D BASIS DECLINED DURING 1995 BY 30% TO $5.47

OPERATING EXPENSES

Operating Expenses, on a BOE/D basis declined during 1995 by 30% to $5.47 from a 1994 amount of $7.79. Company operating efficiencies accounted for most of the improvement.

Processing expenses increased in 1995 at Clarinet's water disposal well; however, modifications to the disposal system allowed Clarinet to increase third party disposal volumes.

GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative expenses increased to $460,543 from a 1994 amount of $312,493.

INTEREST EXPENSE AND BANK DEBT

Interest expense on long-term debt increased to $87,777 from $74,840 in 1994. Clarinet's average amount of long-term debt outstanding during 1995 was higher than in 1994; bank debt was used to partially finance the oil and gas property purchases during the year.

Total bank debt outstanding at December 31, 1995 was $875,000 which is less than the 1996's expected cash flow and substantially below Clarinet's bank line of $1,300,000.

During the year, Clarinet was able to convert its bank loan from a term loan requiring fixed quarterly principal repayments, to a revolving demand facility with no specified repayment terms.

CASH FLOW FROM OPERATIONS

Cash flow increases to $593,398 from $12,508 were a result of acquisitions and successful exploitation activities during 1995. This increase was achieved despite a 32% drop in natural gas prices.

The Company cash flow per share of 1.9 cents (2.5 cents per share weighted average) was calculated using the total basic number of shares outstanding at year end 1995.

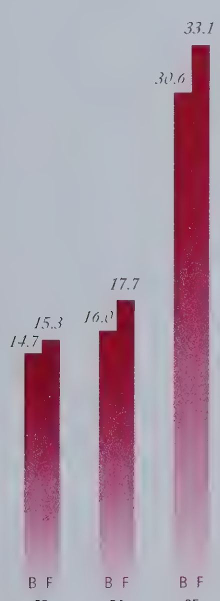
Operations and Cash Flow

OPERATING COSTS
($/BOE)

CASH FLOW
($ M)

CASH FLOW PER SHARE
(cents per share basic)

Shares and Reserve Value



NUMBER OF SHARES [1]
(MM)

RESERVE VALUE
15% PW ($MM)

RESERVE VALUE PER SHARE
15% PW (cents per share basic)

1 B = Basic, F = Fully diluted

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation and the presentation of the consolidated financial statements are the responsibilities of Clarinet Resources Ltd. They have been prepared in accordance with Canadian generally accepted accounting principles consistently applied, using management's estimates and judgements where appropriate.

Management is responsible for the reliability and integrity of the consolidated financial statements and all other financial information contained in this annual report. Management maintains a system of internal and administrative controls that provide appropriate division of responsibilities, reasonable assurance transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide accurate and reliable financial statements and other financial information.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility primarily through the Audit Committee which consists of two directors who are not officers or employees of the Corporation. The Audit Committee meets with the independent auditors to review accounting, financial and auditing matters and to approve the annual consolidated financial statements.

The consolidated financial statements have been audited by Arthur Andersen & Co., Chartered Accountants who were appointed by the shareholders. The Auditors' report outlines the scope of their examination and their opinion on the consolidated financial statements.

Shelley Tremblay

Eric Switzer
President
May 17, 1996

Shelley Tremblay
Comptroller

AUDITORS' REPORTS

To the Shareholders of
Clarinet Resources Ltd.:

We have audited the consolidated balance sheets of Clarinet Resources Ltd. as at December 31, 1995 and 1994 and the consolidated statements of loss and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1995 and 1994 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Arthur Andersen & Co.
Chartered Accountants

Calgary, Alberta
March 15, 1996.

CONSOLIDATED BALANCE SHEETS

December 31, 1995 and 1994	1995	1994
ASSETS (Note 4)		
Current assets:		
Cash	$ 18,810	$ 305,235
Cash held in trust (Note 10)	129,720	–
Accounts receivable	741,966	443,610
Prepaid expenses	9,243	9,646
Total current assets	899,739	758,491
Property and Equipment (Note 3)	4,007,981	1,868,693
	$ 4,907,720	$ 2,627,184
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,051,209	$ 598,299
Current portion of long-term debt (Note 4)	–	228,000
Total current liabilities	1,051,209	826,299
Long-term debt (Note 4)	875,000	359,100
Due to related party (Note 8)	67,416	117,945
Site restoration	43,500	31,612
Shareholders' equity:		
Common shares (Note 5)	3,403,736	1,499,344
Deficit	(533,141)	(207,116)
	2,870,595	1,292,228
	$ 4,907,720	$ 2,627,184

Approved on behalf of the Board:

Eric Switzer
Director

Roderick Ferguson
Director

The accompanying notes are an integral part of these consolidated balance sheets.

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

For the Years Ended December 31, 1995 and 1994	1995	1994
Revenues:		
Oil and gas	**$ 1,639,585**	$ 1,065,093
Crown royalties	**(234,156)**	(137,601)
Processing	**140,883**	96,935
Management fee	**5,105**	38,512
	1,551,417	1,062,939
Expenses:		
Depletion and depreciation	**783,602**	405,462
Operating	**463,348**	326,920
Processing	**83,172**	37,412
General and administration:		
Legal, audit and tax	**80,448**	73,972
Shareholder and listing fees	**24,129**	18,835
Other	**354,966**	219,686
Interest	**87,777**	74,840
	1,877,442	1,157,127
Loss (Notes 6 and 7)	**(326,025)**	(94,188)
Deficit, beginning of year	**(207,116)**	(112,928)
Deficit, end of year	**$ (533,141)**	$ (207,116)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the Years Ended December 31, 1995 and 1994	1995	1994
Operating activities:		
Loss	$ (326,025)	$ (94,188)
Depletion and depreciation	783,602	405,462
	457,577	311,274
Change in working capital, excluding cash, cash held in trust, and current portion of long-term debt	135,821	(298,766)
	593,398	12,508
Financing activities:		
Issue of common shares, net of issue costs	1,904,392	305,276
Tax benefits renounced	–	(84,591)
Repayment of long-term debt	(228,000)	(1,200,000)
Proceeds from long-term debt	515,900	587,100
Due to related party	(50,529)	88,456
	2,141,763	(303,759)
Investing activities:		
Acquisition of property and equipment, net	(1,673,442)	(20,147)
Tax benefits renounced	–	84,591
Site restoration expenditures	(20,210)	(18,367)
Business acquisition	(1,198,214)	–
	(2,891,866)	46,077
Decrease in cash	(156,705)	(245,174)
Cash, beginning of year	305,235	550,409
Cash, end of year	$ 148,530	$ 305,235
Cash is comprised of:		
Cash	$ 18,810	$ 305,235
Cash held in trust	129,720	–
	$ 148,530	$ 305,235

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1995 and 1994

1. BUSINESS ACQUISITION

On March 31, 1995, Clarinet Resources Ltd. ("Clarinet" or the "Company") acquired all of the issued and outstanding common shares of Security Energy Corporation ("Security") in a share exchange. Each shareholder of Security received .86 common shares of Clarinet for each share of Security. As a result, the former shareholders of Security acquired 55% of the new consolidated entity. Accordingly, the acquisition has been accounted for as a reverse takeover whereby the consolidated financial statements presented are a continuation of those of Security and the number of authorized and issued shares presented for the period after the acquisition are those of Clarinet. Subsequent to the acquisition, Clarinet and Security amalgamated.

The purchase price is summarized as follows:

Oil and gas properties	$ 1,217,350
Current liabilities and bank debt, net of current assets	(19,136)
	$ 1,198,214

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary SEC Exploration Inc. All intercompany balances and transactions have been eliminated.

(b) Oil and Gas Properties

The accounts reflect only the Company's proportionate interest in exploration and production activities conducted jointly with others. The full cost method of accounting for oil and gas operations is followed. Under this method, all costs associated with the acquisition of, exploration for, and development of oil and gas reserves are capitalized. Proceeds from the disposition of properties are applied as a reduction of the cost of the remaining assets, except when a significant disposition occurs, in which case a gain or loss on disposal is recorded.

Depletion and depreciation is calculated using the unit-of-production method based upon production volumes before royalties in relation to total proved reserve volumes before royalties as estimated by independent reservoir engineers. Gas volumes are converted to equivalent oil volumes based upon relative energy content. The rate per equivalent barrel of oil is calculated using capitalized costs incurred to date plus an estimate of future development costs.

Estimated future site restoration costs are provided for using the unit-of-production method. The annual charge is recorded as depletion and depreciation expense with the accumulated amount recorded as a long-term liability.

For purposes of determining the limitation of capitalized costs (the “ceiling test”), the net book value of the oil and gas properties, net of recorded deferred taxes and accumulated provision for site restoration costs, is limited to the undiscounted future net revenue from the production of proved reserves, net of interest, production related general and administrative costs and income taxes plus undeveloped properties at cost less impairment. Future net revenue is calculated using oil and gas prices, costs and income tax legislation as of the year-end date.

(c) Other Equipment

Other equipment is capitalized at cost, and is depreciated on a declining balance basis at 20% per annum.

3. PROPERTY AND EQUIPMENT

	1995		1994	
	Cost	Accumulated Depletion and Depreciation	Cost	Accumulated Depletion and Depreciation
Oil and gas properties	$6,130,623	$2,160,065	$ 3,256,781	$ 1,416,754
Furniture, fixtures and automobiles	85,594	48,171	63,927	35,261
	$6,216,217	$2,208,236	$ 3,320,708	$ 1,452,015
Net book value	$ 4,007,981		$ 1,868,693	

At December 31, 1995, oil and gas properties with a net book value of approximately $248,000 have no tax basis.

4. LONG-TERM DEBT

	1995	1994
Revolving demand facility	$ 875,000	$ 587,100
Less: current portion	–	(228,000)
	$ 875,000	$ 359,100

The Company has a $1,300,000 revolving facility, secured by a $5,000,000 fixed and floating charge debenture on all its assets. Interest is at bank prime plus 1% per annum. The revolving credit facility has no specific terms of repayment, is repayable on demand, and is subject to annual review.

5. SHAREHOLDERS' EQUITY

(a) Authorized Shares

Unlimited number of Common Shares

(b) Outstanding Shares

	Common Shares	
	Number	Amount
Balance, December 31, 1993	14,686,017	$ 1,278,659
Flow-through shares issued (net of tax of $84,591)	532,647	44,272
Issued for cash (net of issue costs of $11,925)	757,014	176,413
Balance, December 31, 1994	15,975,678	1,499,344
Conversion of related party payables	262,194	52,438
	16,237,872	1,551,782
Business acquisition (Note 1)	25,523,348	1,198,214
Returned to treasury	(85,714)	(12,000)
Acquisition of property	2,447,552	350,000
Issued for cash (net of issue costs of $2,200)	1,482,000	160,820
Issued to settle account payable	180,000	25,200
Flow-through shares issued	1,081,000	129,720
Balance, December 31, 1995	30,628,186	$ 3,403,736

(c) Flow-Through Shares

A portion of the exploration expenditures are funded with flow-through share issues. Under this type of financing arrangement, shares are issued at a fixed price and the resultant proceeds are used to fund exploration work within a defined time period. The tax deductions arising from such exploration are available to the investors, not the Company. The paid up amount for flow-through shares and the cost of oil and gas properties will be reduced in 1996 by the estimated amount of the tax benefits renounced to the purchaser of the shares.

(d) Stock Options

	Number of	Exercise Price	
	Options	From	To
Balance, December 31, 1995	2,508,364	$ 0.10	$ 0.41

The options expire between January 27, 1996 and October 15, 1998.

6. LOSS PER SHARE

		1995		1994
Basic loss per share	$	(0.01)	$	(0.01)

7. INCOME TAXES

The following table reconciles the difference between the expected tax recovery obtained by applying the expected tax rate to income and the actual income tax recovery recorded.

		1995		1994
Expected income tax recovery at statutory rates of 44.58% in 1995 (1994 - 44.34%)	$	(145,341)	$	(41,763)
Increase (decrease) in income taxes resulting from:				
Non-deductible crown royalties		117,199		73,486
Resource allowance		(51,602)		(32,868)
Alberta Royalty Credit		(12,813)		(12,474)
Depletion of property and equipment with no tax basis		12,911		22,002
Deferred tax benefit not recognized (recognized)		79,646		(8,383)
Income tax recovery	$	–	$	–

8. RELATED PARTY TRANSACTIONS

The Company has an advance payable to a related company of $67,416 (1994 - $117,945). The advance is non-interest bearing and payable on demand. The related company has indicated that no repayment will be required prior to January 1, 1997.

Legal fees billed by a firm in which a director of the Company was a partner were $91,718 in 1995 (1994 - $31,000), of which $68,124 related to the acquisition of Security and the acquisition of oil and gas properties.

9. MINIMUM ANNUAL LEASE PAYMENTS

The Company has entered into leases for the use of office premises and equipment. The minimum future annual payments are as follows:

1996	$ 46,000
1997	46,000
1998	46,000
1999	45,000
2000 and thereafter	4,000
	$ 187,000

10. CASH HELD IN TRUST

Cash held in trust represents proceeds from the flow-through share offering held in trust by the agent which were not spent on qualifying expenditures as at December 31, 1995.

11. PRESENTATION

Certain figures from the prior year have been reclassified to conform with current year presentation.

GENERAL INFORMATION

Head Office
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Calgary, Alberta, Canada
T2P 0S2
Telephone (403) 269 - 1730
Facsimile (403) 262 - 8060

Stock Exchange
Alberta Stock Exchange
Calgary, Alberta
(Symbol: KR)

Registrar & Transfer Agent
R-M Trust Company
Calgary, Alberta

Auditors
Arthur Andersen & Co.
Calgary, Alberta

Solicitors
Burnet, Duckworth & Palmer
Calgary, Alberta

Engineering Consultants
McDaniel & Associates Consultants Ltd.
Calgary, Alberta

Banker
Royal Bank of Canada
Oil & Gas Division
Calgary, Alberta

Directors
Eric Switzer
Roderick Ferguson
Louis Starck

Officers
Eric Switzer
President
Giovanni DeFrancesco
Vice-President, Operations
Dave Morgenstern
Vice President, Exploration
Shelley Tremblay
Comptroller
Roderick Ferguson
Secretary

ABBREVIATIONS USED IN THIS ANNUAL REPORT

ARTC	Alberta Royalty Tax Credit
BBL/D	barrels per day
BBL	barrel of oil or natural gas liquids
BOE	barrels of oil equivalent, converting natural gas on the basis of 10,000 cubic feet into 1 barrel of oil
BOE/D	barrels of oil equivalent per day
MBBLS	thousands of barrels of oil or natural gas liquids
MCF	thousand cubic feet of natural gas
MCF/D	thousand cubic feet of natural gas per day
NGL	natural gas liquids
PW	present worth

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